

Board of Education Agenda Item

Item: _____ C _____

Date: September 22, 2004

Topic: Final Review of Financial Report on Literary Fund

Presenter: Mr. Daniel S. Timberlake, Assistant Superintendent for Finance

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Origin:

_____ Topic presented for information only (no board action required)

X Board review required by

X State or federal law or regulation

_____ Board of Education regulation

_____ Other: _____

X Action requested at this meeting _____ Action requested at future meeting: _____ (date)

Previous Review/Action:

X No previous board review/action

_____ Previous review/action

date _____

action _____

Background Information:

In accordance with the provisions of the Code of Virginia, Chapter 10, Section 22.1-142, the Board of Education is responsible for the management of the Literary Fund. This report reflects the status of the Literary Fund and the status of the Reserve Fund, which is in the custody of the Virginia Public School Authority (VPSA). The report also reflects the total principal of the fund, as well as cash, investments, and all short and long term loans in both funds.

Summary of Major Elements

Attachment A reflects the financial position of the Literary Fund as of June 30, 2004. The information presented in this report reflects the commitments against the Literary Fund as of June 30, 2004.

Attachment B reflects the currently active projects as of June 30, 2004.

Attachment C represents a four-year income analysis of the Literary Fund.

Superintendent's Recommendation:

The Superintendent of Public Instruction recommends approval of the financial report (including all statements) on the status of the Literary Fund as of June 30, 2004.

Impact on Resources:

As funds become available in the Literary Fund, recommendations will be made to the Board for funding priority projects and those projects at the top of the First Priority Waiting List, with cash reduced as loan requests are processed.

Timetable for Further Review/Action:

The Department staff will prepare a quarterly financial report on this fund for Board approval. Information also will be presented each quarter, as part of another agenda item, regarding those projects on the two waiting lists.

BOARD OF EDUCATION
STATEMENT OF THE FINANCIAL POSITION OF THE LITERARY FUND
(as of June 2004)

Line Reference		June 30, 2004	May 31, 2004	Increase/ (Decrease)
	PRINCIPAL BALANCE			
1.	Cash and investments maintained by State Treasurer	86,928,633.00	47,302,187.00	39,626,446.00
2.	Loans received from local school boards (secured by promissory notes)	21,912,203.00	21,912,203.00	-
3.	Cash and investments in custody of Virginia Public School Authority (VPSA)	234,431.00	339,760.00	(105,329.00)
4.	Long-term loans in custody of Virginia Public School Authority (VPSA)	393,777,866.00	397,639,267.00	(3,861,401.00)
5.	Total Principal of Literary Fund	502,853,133.00	467,193,417.00	35,659,716.00
	CURRENT COMMITMENTS AGAINST LITERARY FUND REVENUE			
6.	Balance due on active projects (Attachment B)	8,974,138.39	8,974,138.39	-
7.	Debt service on VPSA equipment notes ¹	-	-	-
8.	Interest rate subsidy ²	-	-	-
9.	Trigon Reserve	5,657,429.00	5,657,429.00	-
10.	Transfer for Teacher Retirement ³	-	-	-
11.	Other Encumbrances held by Treasurer of Virginia	2,623,838.61	2,623,838.61	-
12.	Total of Literary Fund Commitments	17,255,406.00	17,255,406.00	-
	FUNDS AVAILABLE FOR CURRENT COMMITMENTS AND NEW LOANS			
13.	Cash and investments maintained by State Treasurer (Line 1)	86,928,633.00		
14.	Less commitments against Literary Fund Revenues (Line 12)	(17,255,406.00)		
15.	Balance Available to Fund New Projects Currently on Waiting List - (Additional Funds Needed to Meet Commitments)	69,673,227.00		

NOTES:

¹ Chapter 943 approved April 15, 2004, requires \$55,025,975 to be set aside for debt service on equipment notes. (Payment of \$3,320,586 made in October; payment of \$50,711,013 in April)

² Chapter 943 approved April 15, 2004, requires \$10,000,000 to be set aside for an interest rate subsidy program. (Actual cost of sale was \$2,921,438, which is now reflected in items reported on Line 6.)

³ Chapter 943 approved April 15, 2004, requires \$118,454,700 to be transferred from the Literary Fund to pay teacher retirement in fiscal year 2004. (Payment of \$118,454,700 made in May)

ACTIVE PROJECTS AS OF JUNE 30, 2004

Application Number	County, City or Town	School	Date of Release by Bd. of Educ.	Funds Released	Funds Disbursed	Balance Due
* 10975	Augusta County Clarke County	1999 Subsidy (Churchville Elem) Johnson Williams Middle	11/18/1999 9/28/2000	1,439,546.00 7,500,000.00	1,415,188.31 -	24,357.69 7,500,000.00
11058	Halifax County	Sydnor Jennings Elementary	6/20/2001	3,500,000.00	3,400,074.56	99,925.44
11111	Patrick County	Woolwine Elementary (2002 Subsidy)	11/7/2002	50,763.00	44,263.00	6,500.00
11105	Russell County	Honaker Elementary (2002 Subsidy)	11/7/2002	325,917.27	310,930.59	14,986.68
11071	Smyth County	Chilhowie Elementary	9/26/2001	2,593,511.00	2,208,496.00	385,015.00
11070	Smyth County	Chilhowie Middle/High	9/26/2001	2,238,759.00	2,110,622.00	128,137.00
11131	Stafford County	Stafford Elementary (2003 Subsidy)	11/30/2003	659,305.31	654,746.41	4,558.90
11034	Sussex County	Sussex Central High	9/28/2000	7,500,000.00	7,118,661.00	381,339.00
* 11096	Washington County Washington County	Rhea Valley Elem (2001 Subsidy) Abingdon High (2003 Subsidy)	11/26/2001 11/30/2003	168,673.00 34,942.97	23,741.38 10,234.00	144,931.62 24,708.97
11097	Washington County	John S. Battle High (2003 Subsidy)	11/30/2003	30,209.93	-	30,209.93
11098	Washington County	Holston High (2003 Subsidy)	11/30/2003	20,948.94	-	20,948.94
11099	Washington County	Patrick Henry High (2003 Subsidy)	11/30/2003	30,181.33	-	30,181.33
11100	Washington County	Valley Institute (2003 Subsidy)	11/30/2003	5,861.31	-	5,861.31
11078	Washington County	Wallace Middle	9/26/2001	439,704.00	439,616.00	88.00
11083	Washington County	Glade Spring Middle	9/26/2001	139,220.00	119,585.00	19,635.00
11063	Chesapeake City	Great Bridge Intermediate (2001 Subsidy)	9/26/2001	66,655.00	62,359.58	4,295.42
11062	Chesapeake City	Butts Road Intermediate (2001 Subsidy)	9/26/2001	85,594.00	47,074.71	38,519.29
11064	Chesapeake City	Greenbrier Intermediate (2001 Subsidy)	9/26/2001	85,594.00	45,824.17	39,769.83
10999	Franklin City	Franklin High School (1999 Subsidy)	11/18/1999	263,300.00	193,130.96	70,169.04
September, 2004				27,178,686.06	18,204,547.67	8,974,138.39

LITERARY FUND OF VIRGINIA
INCOME ANALYSIS (2000-01 THRU 2003-04)

Attachment C

2000-01	Interest	Fines & Forfeitures	Unclaimed Property	Lottery Transfer	VPSA Transfer	Total
July	\$427,465	\$4,723,679	\$0	\$690,856	\$0	\$5,842,000
August	\$331,160	\$3,859,780	0	\$589,974	0	4,780,914
September	\$322,014	\$3,571,157	0	\$717,715	0	4,610,886
October	\$2,766,306	\$4,829,681	0	\$798,694	0	8,394,681
November	\$344,063	\$5,509,626	0	\$522,777	0	6,376,466
December	\$444,075	\$3,960,358	0	\$553,897	0	4,958,330
January	\$2,862,030	\$3,579,956	0	\$925,708	41,679,696	49,047,390
February	\$560,191	\$4,020,139	0	\$596,720	0	5,177,050
March	\$524,054	\$4,243,325	0	\$680,983	0	5,448,362
April	\$3,657,827	\$4,243,262	0	\$479,736	0	8,380,825
May	\$393,512	\$3,962,830	0	\$0	0	4,356,342
June	\$3,888,533	\$8,829,797	40,300,000	\$1,595,579	0	54,613,909
	\$16,521,230	\$55,333,590	\$40,300,000	\$8,152,639	\$41,679,696	\$161,987,155

2001-02	Interest	Fines & Forfeitures	Unclaimed Property	Lottery Transfer	VPSA Transfer	Total
July	\$265,316	\$1,295	\$0	\$0	\$0	\$266,611
August	\$331,643	\$3,556,095	0	\$758,931	0	4,646,669
September	\$408,149	\$4,878,105	0	\$583,855	0	5,870,109
October	\$2,996,437	\$3,981,143	0	\$677,056	0	7,654,636
November	\$501,696	\$4,573,739	0	\$834,774	0	5,910,209
December	\$482,370	\$3,734,344	0	\$651,257	0	4,867,971
January	\$3,595,592	\$3,195,432	0	\$653,929	44,818,038	52,262,991
February	\$435,729	\$4,083,598	25,000,000	\$816,568	0	30,335,895
March	\$434,506	\$4,014,940	0	\$1,007,249	0	5,456,695
April	\$3,919,410	\$4,193,645	0	\$1,189,912	0	9,302,967
May	\$2,049,750	\$3,848,000	0	\$750,000	0	6,647,750
June	\$2,049,750	\$3,848,000	12,100,000	\$750,000	0	18,747,750
	\$17,470,348	\$43,908,336	\$37,100,000	\$8,673,531	\$44,818,038	\$151,970,253

2002-03	Interest	Fines & Forfeitures	Unclaimed Property	Lottery Transfer	VPSA Transfer	Total
July	\$335,562	\$0	\$0	\$0	\$0	\$335,562
August	\$393,014	\$4,206,398	0	\$1,020,393	0	5,619,805
September	\$604,196	\$4,021,573	0	\$578,775	0	5,204,544
October	\$1,510,810	\$4,425,113	0	\$1,044,794	0	6,980,717
November	\$377,820	\$4,515,153	0	\$664,449	0	5,557,422
December	\$273,541	\$3,299,144	0	\$436,899	0	4,009,584
January	\$2,157,923	\$3,387,862	0	\$647,278	48,455,163	54,648,226
February	\$354,322	\$4,703,278	30,000,000	\$635,618	0	35,693,218
March	\$375,106	\$4,038,001	0	\$659,630	0	5,072,737
April	\$2,308,339	\$4,263,825	0	\$703,270	0	7,275,434
May	\$533,012	\$4,278,760	0	\$0	0	4,811,772
June	\$2,919,696	\$8,429,766	14,000,000	\$5,913,477	0	31,262,939
	\$12,143,341	\$49,568,873	\$44,000,000	\$12,304,583	\$48,455,163	\$166,471,960

LITERARY FUND OF VIRGINIA
INCOME ANALYSIS (2000-01 THRU 2003-04)

Attachment C (Continued)

2003-04	Interest	Fines & Forfeitures	Unclaimed Property	Lottery Transfer	VP&A Transfer	Total
July	\$7,560	\$0	\$0	\$0	\$0	\$7,560
August	\$401,611	\$4,218,866	0	\$0	0	4,620,477
September	\$388,489	\$4,193,908	0	\$708,102	0	5,290,499
October	\$953,432	\$4,193,773	0	\$1,464,273	0	6,611,478
November	\$430,922	\$7,370,275	0	\$614,751	0	8,415,948
December	\$331,088	\$7,925,364	0	\$979,623	0	9,236,075
January	\$1,091,268	\$5,970,204	0	\$588,093	50,494,673	58,144,238
February	\$409,446	\$5,021,910	0	\$0	0	5,431,356
March	\$502,894	\$4,577,460	30,000,000	\$1,635,305	0	36,715,659
April	\$1,660,228	\$5,482,738	0	\$739,989	0	7,882,955
May	\$2,181,071	\$4,840,637	0	\$3,280,587	16,803,247	27,105,542
June	\$5,501,604	\$10,044,075	20,000,000	\$3,024,259	1,056,509	39,626,447
	\$13,859,613	\$63,839,210	\$50,000,000	\$13,034,982	\$68,354,429	\$209,088,234

